

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



A brief summary of financial proposals filed with and actions by the S.E.C.

Washington 25, D.C.

March 11, 1957

FOR RELEASE

Statistical Release No. 1440

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended March 8, 1957, for the composite and by major industry groups, compared with the preceding week and with the highs and lows for 1956 and 1957, is as follows:

	<u>(1939 = 100)</u>		Percent Change	<u>1956 - 1957</u>	
	<u>3/8/57</u>	<u>3/1/57</u>		<u>High</u>	<u>Low</u>
Composite	328.5	326.3	↑ 0.7	366.2	319.0
Manufacturing	414.5	411.3	↑ 0.8	468.6	398.6
Durable Goods	386.6	385.8	↑ 0.2	437.6	369.4
Non-Durable Goods	440.3	434.9	↑ 1.2	500.8	425.2
Transportation	287.9	288.7	- 0.3	353.0	287.0
Utility	158.7	158.4	↑ 0.2	161.5	151.6
Trade, Finance & Service	281.4	276.1	↑ 1.9	325.5	274.8
Mining	345.6	347.0	- 0.4	383.2	326.8

Securities Exchange Act Release No. 5469

The SEC today announced the issuance of a decision revoking the broker-dealer registration of David Donald Leven, doing business as Leven Brothers, New York City, for failure to file the required report of financial condition for the years 1949, 1952, and 1955 in willful violation of the provisions of SEC rules under the Securities Exchange Act of 1934.

Securities Exchange Act Release No. 5470

In a decision announced today, the Commission denied an application of John Raymond Lucas, doing business as Lucas and Company, Birmingham, Ala., for registration as a broker-dealer. Lucas consented to the denial of his application.

Upon the basis of a stipulation of facts entered into by Lucas, the Commission found that, although he has never been registered with the Commission as a broker-dealer, Lucas has, since July 26, 1955, effected 999 securities transactions involving \$8,900,000 with 116 customers located in six states and 36 other brokers and dealers. These transactions include 696 transactions made after receipt of a

(Over)

letter from the Commission's Atlanta Regional Office calling attention to the registration requirements of the Securities Exchange Act of 1934. Furthermore, the Commission found that a sworn statement of Lucas' financial condition filed with his application was false in numerous respects, particularly in that it failed to disclose liabilities of a very large amount. He also engaged in transactions with customers while he was insolvent without disclosing that fact and maintained no books and records except check books (which were poorly and inaccurately kept) and an incomplete and inaccurate file of confirmations, receipts and other miscellaneous papers.

These activities were in willful violation of the Act and the rules and regulations of the Commission thereunder; and the Commission held that the public interest requires denial of the application for broker-dealer registration.

Holding Company Act Release No. 13412

The SEC has issued an order giving interested persons until March 25, 1957, to request a hearing upon the common stock financing proposal of The Columbia Gas System, Inc. As previously reported (3/8/57), Columbia Gas proposes the sale of 1,675,415 shares of its no par common stock, to be offered for subscription by holders of its outstanding common stock at the rate of one additional share for each thirteen shares held of record April 3, 1957. The subscription price will be related to the current market price of the outstanding stock at the time of the offering. The offering is to be underwritten by means of competitive bidding. This offering is the first step in Columbia's 1957 financing program. Net proceeds of the sale of the stock will be added to the company's general funds and supplemented by cash to be generated from operations and additional public financing, will be used to make additional investments in subsidiary companies to aid in financing their 1957 construction programs, estimated at approximately \$84,000,000, and for other investments.

Holding Company Act Release No. 13411

New England Electric System, Boston holding company, has joined with 22 of its public-utility subsidiary companies in the filing of an application with the SEC for an order authorizing the subsidiaries to borrow sums from banks in the aggregate amount of \$28,522,000 and from NEES in the aggregate amount of \$13,290,000; and the Commission has issued an order giving interested persons until March 25, 1957, to request a hearing thereon. Most of the proceeds of the sale of the notes evidencing these borrowings will be employed to pay notes previously issued and which mature March 29, 1957, with new money requirements of the borrowing companies estimated at \$4,755,000.

* * * *

Kerr-McGee Oil Industries, Inc., Oklahoma City, filed a registration statement (File 2-13143) with the SEC on March 8, 1957, seeking registration of 274 Stock Purchase Options and 238,906 shares of its Common Stock which may be offered, issued or sold pursuant to such options.

* * * *

(Continued)

Falcon Seaboard Drilling Company, Tulsa, filed a registration statement (File 2-13144) with the SEC seeking registration of 300,000 shares of its Common Stock, to be offered for public sale through an underwriting group headed by Dillon, Read & Co. Inc. The public offering price and underwriting terms are to be supplied by amendment. The registration statement also covers Warrants to purchase 30,000 shares of common stock, which are being offered for sale to Dillon, Read & Co. Inc., at a warrant price of 10¢ per share; and Dillon, Read proposes to offer such warrants to a limited number of persons, all of whom are associated with it, at a warrant price of 12¢ per share. The exercise price of the warrants also is to be supplied by amendment.

Of the net proceeds of the financing, \$1,337,100 will be used to prepay outstanding indebtedness and \$1,213,757 will be used in connection with the acquisition of the stock of D & D Drilling & Construction Company, S. A. The balance of the proceeds will be added to the general funds of the company and will be available for general corporate purposes. D & D Drilling has been engaged since 1951 in drilling and supplying oil well workover services for others on a contract basis in eastern Venezuela. The total purchase price for the stock of D & D Drilling is \$2,400,000, less \$186,243 which the present stockholders (Frank Dotson and Werner Drosdat) owe D & D Drilling and which will be assumed by a Venezuelan subsidiary of Falcon which is to purchase such stock. The Venezuelan subsidiary will obtain the cash required for such purchase (\$2,213,757) by borrowing \$1,000,000 from a bank, by borrowing \$433,757 from Falcon against the issuance of notes, and by selling to Falcon \$780,000 of stock.

* * * *

Cities Service Company, New York City, filed a registration statement (File 2-13145) with the SEC on March 8, 1957, seeking registration of \$4,890,000 of Participations in the Employes Thrift Plan of Cities Service Company, together with 80,000 shares of the \$10 par Common Stock which may be purchased pursuant to the plan.

* * * *

Revlon, Inc., New York City, today filed a registration statement (File 2-13146) with the SEC seeking registration of 241,020 shares of its Common Stock. These common shares are shares into which a like number of presently outstanding shares of Class B Common Stock held by certain stockholders will be converted by an underwriting group (headed by Reynolds & Co., Inc.) and offered for public sale. The public offering price and underwriting terms are to be supplied by amendment. The company will receive no part of the proceeds of sale.

According to the prospectus, Charles Revson, company president, as the Voting Trustee under an agreement dated October 31, 1955, between Charles Revson as Voting Trustee, and Charles R. Lachman, Martin Revson and Charles Revson individually, is selling to the underwriters 179,020 shares of Class B common, to be converted by the underwriters into a like number of shares of common stock which are to be offered for public sale. The beneficial ownership of these 179,020 shares of Class B common, represented by Voting Trust Certificates, is as follows: Charles Revson,

(Continued)

88,000 shares; Charles R. Lachman, 62,420 shares; Martin Revson, 28,600 shares. The conversion of the 179,020 shares referred to above, out of the total 1,650,000 deposited shares, is in partial fulfillment of the requirement just mentioned. The sale of these shares, together with 25,000 shares of Class B Common Stock outside the Voting Trust being sold to the Underwriters by Charles Revson and 37,000 such shares being so sold by Martin Revson, reflects the desire of the three major stockholders to diversify their investments and to enlarge the public base of ownership of the Company.

* * * *

California Electric Power Company (Riverside) today filed a registration statement (File 2-13147) with the SEC seeking registration of \$6,000,000 of First Mortgage Bonds, due 1987, to be offered for public sale at competitive bidding. Net proceeds of the sale of these bonds, together with the proceeds of the sale of 300,000 shares of common stock of the company for which it has invited bids to be opened April 2, 1957, will be used to discharge the company's short-term bank loans which presently total \$9,000,000. The borrowed funds have been used for interim financing of property additions and improvements. Any balance of proceeds will be used in the company's construction program. Construction expenditures for 1957 are estimated at \$22,600,000 and for 1958 at \$25,250,000.

* * * *

Brunswick Drug Company, Vernon, Cal., today filed a registration statement (File 2-13148) with the SEC seeking registration of 60,000 shares of its \$1 par common stock, to be offered for public sale through William R. Staats & Co. The public offering price and underwriting terms are to be supplied by amendment. Approximately \$700,000 of the net proceeds will be used to construct warehouse facilities at Anaheim, Cal. on land which the company now owns and to purchase inventories for this warehouse. The balance will be used to increase the working capital of the company. Working capital may be further increased by "sale and lease back" contracts with institutional investors, whereby the company would sell certain of its real properties to such investors and then lease back such properties from the investor on long-term leases.

---000000---